

ANNUAL REPORT
THE
BALDWIN LOCOMOTIVE
WORKS

CONSOLIDATED



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B1931

Philadelphia, Pa.
U. S. A.

MRS
CORP FILE

DECEMBER 31, 1930

Twentieth Annual Report

THE BALDWIN LOCOMOTIVE WORKS

Consolidated With

STANDARD STEEL WORKS
COMPANY

BALDWIN - SOUTHWARK CORPORATION

THE
MIDVALE COMPANY

and

SUBSIDIARIES



December 31
1930

THE BALDWIN LOCOMOTIVE WORKS

Incorporated under the Laws of the State of Pennsylvania

June 7, 1911

DIRECTORS

SAMUEL M. VAUCLAIN	Rosemont, Pa.
WILLIAM E. COREY	New York City
SYDNEY E. HUTCHINSON	Philadelphia
SIDNEY F. TYLER	Philadelphia
B. DAWSON COLEMAN	Lebanon, Pa.
ARTHUR W. SEWALL	Philadelphia
THOMAS S. GATES	Philadelphia
FRANCIS M. WELD	New York City
ALVA C. DINKEY	Philadelphia
FRED J. FISHER	Detroit
ARTHUR W. CUTTEN	Chicago
JOSEPH N. EWING	Philadelphia
GEORGE H. HOUSTON	Philadelphia
EDWARD F. FISHER	Detroit
THOMAS NEWHALL	Philadelphia
JOSEPH WAYNE, JR.	Philadelphia

OFFICERS

SAMUEL M. VAUCLAIN	Chairman of the Board
GEORGE H. HOUSTON	President
JOHN P. SYKES	Vice-President
ARCHIBALD H. EHLE	Vice-President in Charge of Sales
JACQUES L. VAUCLAIN	Vice-President and Works Manager
HARRY GLAENZER	Vice-President in Charge of Engineering
CHARLES E. ACKER	Treasurer
ARTHUR L. CHURCH	Secretary
CARLOS F. NOYES	Comptroller

GENERAL COUNSEL

MORGAN, LEWIS & BOCKIUS
Philadelphia

PLANT AT BALDWIN

EDDYSTONE, PENNSYLVANIA

STANDARD STEEL WORKS COMPANY

Incorporated under the Laws of the State of Pennsylvania

December 20, 1907

DIRECTORS

SAMUEL M. VAUCLAIN
SYDNEY E. HUTCHINSON
SIDNEY F. TYLER
B. DAWSON COLEMAN
ARTHUR W. SEWALL
GEORGE H. HOUSTON
THOMAS NEWHALL

Rosemont, Pa.
Philadelphia
Philadelphia
Lebanon, Pa.
Philadelphia
Philadelphia
Philadelphia

OFFICERS

SAMUEL M. VAUCLAIN
GEORGE H. HOUSTON
JOHN P. SYKES
FRANK K. METZGER
CHARLES E. ACKER
ARTHUR L. CHURCH
CARLOS F. NOYES

Chairman of the Board
President
Vice-President
Vice-President and General Manager
Treasurer
Secretary
Comptroller

PLANT

BURNHAM, MIFFLIN COUNTY
PENNSYLVANIA

BALDWIN-SOUTHWARK CORPORATION

Incorporated under the Laws of the State of Delaware
October 23, 1929

DIRECTORS

SAMUEL M. VAUCLAIN
GEORGE H. HOUSTON
SYDNEY E. HUTCHINSON
SIDNEY F. TYLER
B. DAWSON COLEMAN
ARTHUR W. SEWALL
WILLIAM H. HARMAN
JOHN P. SYKES
FRANCIS B. BRACKEN
THOMAS NEWHALL

Rosemont, Pa.
Philadelphia, Pa.
Philadelphia, Pa.
Philadelphia, Pa.
Lebanon, Pa.
Philadelphia, Pa.
Merion, Pa.
Wallingford, Pa.
Philadelphia, Pa.
Ithan, Pa.

OFFICERS

SAMUEL M. VAUCLAIN
GEORGE H. HOUSTON
JOHN P. SYKES
WILLIAM H. HARMAN
CHARLES E. ACKER
ARTHUR L. CHURCH
CARLOS F. NOYES

Chairman of the Board
President
Vice-President
Vice-President and General Manager
Treasurer
Secretary
Comptroller

PLANT AT BALDWIN

EDDYSTONE, PENNSYLVANIA

THE MIDVALE COMPANY

Incorporated under the Laws of the State of Delaware
March 28, 1923

DIRECTORS

B. DAWSON COLEMAN
ALVA C. DINKEY
HARRY L. FREVERT
STUART HAZLEWOOD
GEORGE H. HOUSTON
JAMES M. MILLIKEN
THOMAS NEWHALL
ARTHUR W. SEWALL
JOHN P. SYKES
SIDNEY F. TYLER
SAMUEL M. VAUCLAIN
JACQUES L. VAUCLAIN
JOSEPH WAYNE, JR.

Lebanon, Pa.
Philadelphia
Philadelphia
Philadelphia
Philadelphia
Philadelphia
Ithan, Pa.
Philadelphia
Philadelphia
Philadelphia
Rosemont, Pa.
Haverford, Pa.
Philadelphia

OFFICERS

THOMAS NEWHALL
ALVA C. DINKEY
HARRY L. FREVERT
STUART HAZLEWOOD
JAMES M. MILLIKEN
JOS. P. COONAHAN

Chairman of the Board
President
Vice-President in Charge of Operations
Vice-President in Charge of Sales
Secretary and Treasurer
Purchasing Agent

PLANT

NICETOWN, PHILADELPHIA

THE BALDWIN LOCOMOTIVE WORKS

General Offices of the Company

123 South Broad Street, Philadelphia

Cable Address: "BALDWIN," Philadelphia

TRANSFER AGENTS

IN PHILADELPHIA: Fidelity-Philadelphia Trust Company, 135 South Broad Street

IN NEW YORK: Bankers Trust Co., 16 Wall Street

REGISTRARS OF STOCK

IN PHILADELPHIA: The Pennsylvania Company for Insurances on Lives and Granting Annuities, 15th and Chestnut Streets

IN NEW YORK: Guaranty Trust Company of New York, 140 Broadway

DISTRICT MANAGERS

Chicago, Ill.	CHARLES RIDDELL	627 Railway Exchange
New York, N. Y.	JOSEPH F. HOERNER	120 Broadway
Portland, Ore.	A. J. BEUTER	313 American Bank Bldg.
Richmond, Va.	W. B. KEYS	512 Richmond Trust Bldg.
St. Louis, Mo.	A. S. GOBLE	1010 Pine Street
San Francisco, Cal.	LATHAM McMULLIN	2910 Russ Building

REPRESENTATIVES AND AGENTS

Africa (South)	THE BALDWIN LOCOMOTIVE WORKS (S. A.) LTD.	North British Building, Johannesburg
Argentina	CLYDE G. PINNEY	Avenida Presidente Roque Saenz, Peña 636, Buenos Aires
Australia	R. TOWNS & Co.	31 Reiby Lane, Sydney, New South Wales
Australia	NEWELL & Co., PTY., LTD.	189 King Street, Melbourne, Victoria
Australia	LESLIE & Co.	959-61 Hay Street, Perth, Western Australia

Brazil	BALDWIN LOCOMOTIVE WORKS OF BRAZIL, INC.	Rua da Alfandega 48, Rio de Janeiro
Brazil	CORY BROS. & Co., LTD.	Bahia and Pernambuco
Central America and Northern South America	A. B. HARDIE <i>Technical Representative</i>	
Chile	CLYDE G. PINNEY	Edificio de The National City Bank of New York, Santiago
China	E. P. WILLIAMS, JR. <i>Technical Representative</i> ANDERSEN, MEYER & Co., LTD.	Shanghai Shanghai
Colombia	VLADIMIR WELTSCHIEFF	Apartado 1659, Bogota
Cuba	BALDWIN LOCOMOTIVE WORKS OF CUBA	Corner Habana and O'Reilly Streets, Havana
European Continent (Excluding Russia and Scandinavia)	PAUL NEGRIER	42 bis Blvd. Richard-Lenoir, Paris
Great Britain	DAVIS & LLOYD	26 Victoria Street, London, S. W. 1
Hawaiian Islands	J. A. GOOD <i>Technical Representative</i> C. BREWER & Co., LTD.	Honolulu Honolulu
India	L. BROOKE EDWARDS	5 Dalhousie Square, Calcutta
Japan	FRAZAR & Co.	Tokyo
Mexico	PAUL G. CHEATHAM	2a Capuchinas, 48, D. F. Mexico City
New Zealand	PHILIPS & PIKE, LTD.	Wellington
Peru	PEDRO MARTINTO & Co.	Apartado 146, Lima
Philippines	E. P. WILLIAMS, JR. <i>Technical Representative</i> PACIFIC COMMERCIAL Co.	Manila Manila
Porto Rico and Do- minican Republic	R. CARRIÓN	Bank of Nova Scotia Bldg., San Juan
Portugal	E. PINTO BASTO & Co., LTD.	64 Caes do Sodre, Lisbon
Scandinavia	OLAV BELSHEIM	Toldbogaden No. 8, Oslo, Norway
Venezuela, Trinidad and Lesser Antilles	T. D. DREW-BEAR	Apartado 346, Maracaibo

To the Stockholders of The Baldwin Locomotive Works

The President submits his report of the business of the company for the fiscal year ended December 31, 1930, presenting:—

Summary of Operations for past years, page 11.

Consolidated Balance Sheet as of December 31, 1930,
pages 12 and 13.

Consolidated Statements of Profit and Loss and
Surplus for the year 1930, page 14.

Auditors' Report, page 15.

These statements include the operations of your company in the locomotive business and the operations of its wholly owned subsidiaries, Standard Steel Works Company and Baldwin-Southwark Corporation; also the business of The Midvale Company of which your company owns a majority of the capital stock.

The locomotive business was carried on at satisfactory volume during the early part of 1930, your company having entered the year with a large volume of orders on its books. Little new locomotive business was available for the second half, however, and your company enters the new year with few orders booked for future delivery.

The volume of sales of the Standard Steel Works Company for the first half was not much below those

of the previous year for the same period, but orders for the second half fell off rapidly due to the decrease in new locomotives ordered and in the purchase of parts by the railroads for locomotive maintenance.

The manufacturing facilities of the Southwark Foundry & Machine Company, a wholly owned subsidiary of Baldwin-Southwark Corporation, were removed during the past year to their new location at Eddystone and a substantial amount of new equipment was added. As of December 31st, all of the assets of the Southwark Foundry & Machine Company were acquired directly by Baldwin-Southwark Corporation and hereafter this business will be carried in the name of Baldwin-Southwark Corporation. The volume of Southwark business was satisfactory during the early part of the past year, but in the second half new orders have been in small volume and the company has greatly reduced its operations.

The Midvale Company has just completed one of the most successful years of its history since the war period, and enters the new year with a substantial volume of orders on hand although much smaller than that with which it entered the year 1930.

The construction of the Eastern plant of General Steel Castings Corporation adjacent to the Eddystone plant of your company has been practically completed during the past year and is now in operation.

In March your company sold \$12,000,000 face value of 3-year notes, the proceeds of which were used in large part to refund loans incurred in the construction of its Eddystone plant and in the acquisition of its interest in General Steel Castings Corporation.

Respectfully submitted,

GEORGE H. HOUSTON,
President.

February 10, 1931.

THE BALDWIN LOCOMOTIVE WORKS

Summary of Operations, July 1, 1911—December 31, 1930

Year	Gross Sales	Profit	Reserves, Etc.	Dividend	Surplus For Year	Adjustments	Surplus
1911 (6 mos.)	\$14,589,645.26	\$1,671,419.32	.....	\$900,000.00	\$771,419.32	.....	\$771,419.32
1912	28,924,335.16	3,698,571.44	.....	1,800,000.00	1,898,571.44	.....	2,669,990.76
1913	37,630,969.21	4,017,800.33	.....	1,800,000.00	2,217,800.33	.....	4,887,791.09
1914	13,616,163.36	365,229.92	\$15,000.00	1,800,000.00	1,449,770.08*	.....	3,438,021.01
1915	22,083,011.06	2,867,816.17	40,000.00	1,400,000.00	1,427,816.17	.....	4,865,837.18
1916	59,219,057.99	9,444,641.91	3,960,854.87	1,400,000.00	4,083,787.04	.....	8,949,624.22
1917	98,263,865.33	11,193,840.66	2,888,118.36	1,400,000.00	6,905,722.30	\$15,800,000.00	55,346.52
1918	123,179,251.99	18,262,112.05	15,009,816.51	1,400,000.00	1,852,295.54	.....	1,907,642.06
1919	84,307,776.72	8,871,243.30	3,095,000.00	2,100,000.00	3,676,243.30	970,527.60	6,554,412.96
1920	73,542,666.49	8,407,269.75	3,978,751.03	2,800,000.00	1,628,518.72	2,830,505.69	11,013,437.37
1921	49,945,506.24	8,962,273.10	3,918,176.63	2,800,000.00	2,244,096.47	.....	13,257,533.84
1922	33,087,258.62	6,765,514.43	1,558,995.38	2,800,000.00	2,406,519.05	3,266,725.00	18,930,777.89
1923	102,762,075.28	11,931,521.93	8,215,057.62	2,800,000.00	916,464.31	.....	19,847,242.20
1924	26,080,352.27	1,920,026.77	600,000.00	2,800,000.00†	1,320,026.77	2,800,000.00†	18,367,268.97
1925	27,876,064.14	196,563.95	.....	2,800,000.00†	196,563.95	2,800,000.00†	15,763,832.92
1926	47,891,668.91	6,492,422.39	608,515.42	2,800,000.00†	5,883,906.97	2,800,000.00†	18,847,739.89
1927	32,901,143.07	3,705,446.70	1,263,246.87	2,800,000.00†	2,442,199.83	5,437,881.01§	15,852,058.71
1928	22,531,349.44	932,210.96	600,000.00	2,800,000.00†	332,210.96	3,074,377.08||	13,109,892.59
1929 ^o	42,796,587.76	4,651,920.01	2,351,457.18⊖	2,837,629.11†	2,300,462.83	258,420.22	23,431,001.11
1930 ^o	49,872,455.61	5,457,852.50	2,421,228.65⊖	2,831,512.67	205,111.18	70,039.50	23,706,151.79
	\$991,101,223.92	\$119,815,697.59		\$44,869,141.78			

* Deficit.

† From Reserves.

‡ For Dividends Subsequent Year.

§ Dividends 1928 and Accumulated Depreciation.

|| Dividends 1929 and Accumulated Depreciation.

⊖ Consolidated.

⊙ Depreciation and Midvale Minority Equity.

THE BALDWIN LO

Consolidated

December

ASSETS

Property, Plant and Equipment	\$70,041,948.09	
Less—Reserve for Depreciation	<u>17,161,687.77</u>	\$52,880,260.32
First Mortgage Bond Sinking Fund		5,898,034.33
Investments:		
General Steel Castings Corporation, common stock	\$5,000,000.00	
Notes and Stock of The Baldwin Locomotive Works (market value at December 31, 1930, \$1,464,000)	1,768,937.83	
Other Investments	<u>1,009,526.74</u>	7,778,464.57
Notes and Other Non-current Credit Instruments and Accounts Receivable (including Foreign Government Railway notes \$2,338,187.76 and all items maturing subsequent to 1931)		5,045,562.68
Current Assets:		
Cash in Banks and on Hand	\$12,703,575.30	
United States Treasury Notes	750,000.00	
Sundry Securities (market value at December 31, 1930, \$985,083)	1,058,261.46	
Notes and Other Credit Instruments Receivable, due in 1931	968,756.71	
Accounts Receivable, due in 1931	4,380,123.21	
Inventories, at the lower of cost or market	<u>8,234,676.72</u>	28,095,393.40
Deferred Charges		453,995.07
		<u>\$100,151,710.37</u>

COMOTIVE WORKS

Balance Sheet

31, 1930

LIABILITIES

First Mortgage 5% Sinking Fund Gold Bonds, due 1940.	\$10,000,000.00
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Three-year 5½% Gold Notes, due March 1, 1933.....	12,000,000.00
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Current Liabilities:

Accounts Payable	\$1,034,005.09	
Accrued Accounts	1,184,684.68	
Employees' Savings Accounts	869,187.36	
	<u> </u>	3,087,877.13

Reserves for Contingencies and Bad Debts, Miscellaneous Reserves and Deferred Credits	3,370,736.19
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Equity of Minority Stockholders in the Capital Stock and Surplus of The Midvale Company	6,911,945.26
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Capital Stock and Surplus of The Baldwin Locomotive Works:

Preferred Stock—7% Cumulative—Authorized and Issued—200,000 shares of \$100 each	20,000,000.00
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Common Stock of No Par Value:

Authorized—2,000,000 shares		
Issued—843,000 shares	\$21,075,000.00	
Surplus as per annexed statement	23,706,151.79	
	<u> </u>	44,781,151.79
		<u>\$100,151,710.37</u>

THE BALDWIN LOCOMOTIVE WORKS

Consolidated Statement of Profit and Loss

For the Year ended December 31, 1930

Sales.....		\$49,872,455.61
Less:		
Cost of Sales, including Selling, Administrative and General Expense.....	\$43,607,422.25	
Provision for Depreciation.....	1,779,456.28	45,386,878.53
Operating Profit.....		\$4,485,577.08
Other Income:		
Dividends.....	\$65,854.31	
Interest and Miscellaneous.....	1,007,917.04	1,073,771.35
Total Operating Profit and Other Income.....		\$5,559,348.43
Other Expenses:		
Interest.....	\$1,165,188.33	
Miscellaneous.....	390,703.96	1,555,892.29
Profit before Federal Income Tax.....		\$4,003,456.14
Provision for Federal Income Tax.....		325,059.92
Net Profit.....		\$3,678,396.22
Deduct:		
Equity of Minority Stockholders in Net Profit of The Midvale Company.....		641,772.37
Net Profit accrued to The Baldwin Locomotive Works.....		\$3,036,623.85

Consolidated Statement of Surplus

Surplus at January 1, 1930.....	\$23,431,001.11
Sundry Additions less Deductions.....	70,039.50
Net Profit for the Year 1930 as above.....	3,036,623.85
	<u>\$26,537,664.46</u>
Deduct:	
Dividends on Preferred Stock.....	\$1,400,000.00
Dividends on Common Stock.....	1,431,512.67
Surplus at December 31, 1930.....	<u>\$23,706,151.79</u>
Consisting of Earned Surplus.....	\$16,950,332.88
and Capital Surplus.....	<u>6,755,818.91</u>

LYBRAND, ROSS BROS. & MONTGOMERY

ACCOUNTANTS AND AUDITORS
MORRIS BUILDING
PHILADELPHIA

To the Stockholders of THE BALDWIN LOCOMOTIVE WORKS

We have examined the accounts of The Baldwin Locomotive Works and its wholly owned subsidiaries, Standard Steel Works Company, Baldwin-Southwark Corporation and Southwark Foundry & Machine Company as at December 31, 1930. Reports of foreign branches have been submitted to us and we have received the certified financial statements of The Midvale Company prepared by Messrs. Arthur Young & Company.

Based on the foregoing, we certify that, in our opinion, the accompanying balance sheet and consolidated statements of profit and loss and surplus set forth correctly the consolidated financial position of the companies at December 31, 1930, and the results of operations for the year then ended.

LYBRAND, ROSS BROS. & MONTGOMERY
Accountants and Auditors

Philadelphia, Pa.,
February 9, 1931.



